

mined as part of the existing mining operation.

(f) *Lease modifications* are used to add known deposits of “Gilsonite” to an adjacent Federal lease which contains an existing mine provided the deposits can only be mined as part of the existing mining operation.

§ 3550.2 Other applicable regulations.

§ 3550.2–1 General leasing regulations.

Part 3500 of this title contains the general regulations governing the leasing of solid minerals other than coal and oil shale and supplements, as applicable, the regulations in this part. The regulations in part 3500 of this title include, but are not limited to, such matters as multiple mineral development, environmental review, other agency consent and consultation, and lands not available for leasing. Cross-reference to specific regulations in part 3500 of this title is provided in this part as an aid to the reader and is not intended to limit the applicability of part 3500 of this title only to the cross-referenced regulations.

§ 3550.2–2 Special areas.

Part 3580 of this title contains regulations specific to certain national recreation areas and to certain lands patented to the State of California, and, as applicable, supplements this part. Except where specific regulations in part 3580 of this title are applicable, the regulations in this part and part 3500 of this title shall govern the leasing of “Gilsonite” in those national recreation areas and those patented lands.

§ 3550.3 Allowable acreage holdings.

No person, company, association or corporation may hold at any particular time, directly or indirectly, more than 7,680 acres under prospecting permit and lease in any one state.

Subpart 3551—Lease Terms and Conditions

§ 3551.1 Applicability of lease terms and conditions.

The lease terms and conditions set out under this section apply to all leases issued or readjusted under part

3550 of this title. Each lease shall be issued on a form approved by the Director and shall be dated as of the first day of the month after its approval by the authorized officer unless the applicant requests in writing that it be dated the first day of the month in which it is approved. Each lease shall authorize in accordance with its terms and conditions the mining of “Gilsonite”.

§ 3551.2 Rental and royalty.

§ 3551.2–1 Rental.

(a) Each lease shall provide for the payment of rental annually and in advance at the rate of 50 cents per acre or fraction thereof. The annual rental payment shall not be less than \$20. The rental paid for any year shall be credited against the first royalties as they accrue under the lease during the year for which rental was paid.

(b) If the annual rental is not timely remitted, the lessee shall be notified by the authorized officer that, unless payment is made within 30 days from receipt of such notification, action shall be taken to cancel the lease (See § 3509.4–2).

(c) Remittances of rental shall be made in accordance with § 3503.1 of this title.

§ 3551.2–2 Production royalty.

All leases shall be conditioned upon the payment to the United States of such royalties as may be specified in the lease, which shall be fixed by the authorized officer in advance as provided under § 3503.2–1 of this title.

§ 3551.3 Duration of lease.

The lease shall be issued for 20 years and for so long thereafter as “Gilsonite” is produced in paying quantities subject to the Secretary’s right of reasonable readjustment of lease terms and conditions at the end of each 20-year period.

§ 3551.4 Readjustment.

(a) The terms and conditions of a lease are subject to reasonable readjustment at the end of each 20-year period following the effective date of the lease unless otherwise provided by law